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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/076,961	02/15/2002	Nallan C. Suresh	13553-06704	2025

7590 06/04/2004

GLENN PATENT GROUP
3475 Edison Way
Suite L
Menlo Park, CA 94025

EXAMINER	
MORGAN, ROBERT W	

ART UNIT	PAPER NUMBER
3626	

DATE MAILED: 06/04/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Advisory Action	Application No.	Applicant(s)	
	10/076,961	SURESH ET AL.	
	Examiner	Art Unit	
	Robert W. Morgan	3626	

--The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

THE REPLY FILED 12 April 2004 FAILS TO PLACE THIS APPLICATION IN CONDITION FOR ALLOWANCE. Therefore, further action by the applicant is required to avoid abandonment of this application. A proper reply to a final rejection under 37 CFR 1.113 may only be either: (1) a timely filed amendment which places the application in condition for allowance; (2) a timely filed Notice of Appeal (with appeal fee); or (3) a timely filed Request for Continued Examination (RCE) in compliance with 37 CFR 1.114.

PERIOD FOR REPLY [check either a) or b)]

a) ☒ The period for reply expires 3 months from the mailing date of the final rejection.

b) ☐ The period for reply expires on: (1) the mailing date of this Advisory Action, or (2) the date set forth in the final rejection, whichever is later. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of the final rejection.
ONLY CHECK THIS BOX WHEN THE FIRST REPLY WAS FILED WITHIN TWO MONTHS OF THE FINAL REJECTION. See MPEP 706.07(f).

Extensions of time may be obtained under 37 CFR 1.136(a). The date on which the petition under 37 CFR 1.136(a) and the appropriate extension fee have been filed is the date for purposes of determining the period of extension and the corresponding amount of the fee. The appropriate extension fee under 37 CFR 1.17(a) is calculated from: (1) the expiration date of the shortened statutory period for reply originally set in the final Office action; or (2) as set forth in (b) above, if checked. Any reply received by the Office later than three months after the mailing date of the final rejection, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

1. ☐ A Notice of Appeal was filed on _____. Appellant's Brief must be filed within the period set forth in 37 CFR 1.192(a), or any extension thereof (37 CFR 1.191(d)), to avoid dismissal of the appeal.

2. ☒ The proposed amendment(s) will not be entered because:

   (a) ☒ they raise new issues that would require further consideration and/or search (see NOTE below);

   (b) ☐ they raise the issue of new matter (see Note below);

   (c) ☒ they are not deemed to place the application in better form for appeal by materially reducing or simplifying the issues for appeal; and/or

   (d) ☐ they present additional claims without canceling a corresponding number of finally rejected claims.

   NOTE: *See Continuation Sheet*.

3. ☐ Applicant's reply has overcome the following rejection(s): _____.

4. ☐ Newly proposed or amended claim(s) _____ would be allowable if submitted in a separate, timely filed amendment canceling the non-allowable claim(s).

5. ☒ The a)☐ affidavit, b)☐ exhibit, or c)☒ request for reconsideration has been considered but does NOT place the application in condition for allowance because: *See Continuation Sheet*.

6. ☐ The affidavit or exhibit will NOT be considered because it is not directed SOLELY to issues which were newly raised by the Examiner in the final rejection.

7. ☒ For purposes of Appeal, the proposed amendment(s) a)☐ will not be entered or b)☒ will be entered and an explanation of how the new or amended claims would be rejected is provided below or appended.

   The status of the claim(s) is (or will be) as follows:

   Claim(s) allowed: *NONE*.

   Claim(s) objected to: *NONE*.

   Claim(s) rejected: *1-5 and 7-19*.

   Claim(s) withdrawn from consideration: *NONE*.

8. ☐ The drawing correction filed on _____ is a)☐ approved or b)☐ disapproved by the Examiner.

9. ☐ Note the attached Information Disclosure Statement(s)(PTO-1449) Paper No(s). _____.

10. ☐ Other: _____

JOSEPH THOMAS
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

Continuation of 2. NOTE: The proposed new features of "... wherein in a healthcare state is any of, but not limited to a provider and a provider and a facility,... as contained in a model derived from a collection of healthcare data, and based on aggregated sequence probability information from previously processed individual sequence processed individual sequence probabilities... wherein said probability of sequence is distinct" in claim 1, "...wherein transition probabilities for sequences...model derived from a collection of healthcare data" in claim 3, "...wherein a sequence of healthcare states represents client experiences in one or more episode of care" an "wherein a previously determined transition...using look-up table of Claim 8" in claim 9 and "wherein a state comprises any of, but not limited to ...provider-days, and provider-service codes" and "wherein said transition metric ...first state to a next state in cliam 15, require further search and consideration as they change the scope of the invention from that previously claimed.

Continuation of 5. does NOT place the application in condition for allowance because: Applicant's remarks appear to rely on features which have not been entered as of the present communication. Thus, the finality of the previous Office Action is maintained .

Advisory Action

In the remarks, Applicants argue in substance that, (1) there is no basis without evidentiary teachings or suggestion that Pendleton's fraud indicator and threshold values leads to implementation of the probability of a transition from one state to another; (2) there is no motivation for using the concept of probability of transition between states and probabilities of sequences of transitions, without the benefit of hindsight; and (3) Claim 8 is not taught or suggested and is not motivated by the prior art and the prior art does not teach individual transition probabilities based on frequencies counts of transition from one state to another.

In response to Applicants argument that, (1) there is no basis without evidentiary teachings or suggestion that Pendleton's fraud indicator and threshold values leads to implementation of the probability of a transition from one state to another. The Examiner respectfully submits the Pendleton, Jr. teaches a method and apparatus for detecting potentially fraudulent suppliers or providers of goods or services including the steps of: a) collecting data on a plurality of suppliers and providers, including data relating to claims submitted for payment by the suppliers and providers; b) processing the data to produce a fraud indicator for at least one of the suppliers and providers; and c) determining, using the fraud indicator, whether the selected supplier or provider is a potentially fraudulent supplier or provider (see: column 1, lines 49-60). Pendleton, Jr. further teaches the use of a composite fraud indicator that is computed by averaging a plurality of fraud indicators for the selected provider or supplier (see: column 2, lines 23-25). Pendleton, Jr. also teaches that other approaches include computing a weighted average of the individual fraud indicators, of selecting a subset of the indicators for use in computing the composite fraud indicator. After the composite fraud indicator is computed, it is compared to a

threshold number, which is based upon prior experience (block 70) (see: column 7, lines 32-37). Furthermore, any supplier or provider that exceeds the fraud indicator threshold value is stored in the NN data base file for tracking purposes (see: column 7, lines 41-47). The Examiner considers the number or score for each claim line mentioned above as the information necessary to compute the probability of a transition from one state to another and the courts have held that even if a patent does not specifically disclose a particular element, said element being within the knowledge of a skilled artisan, the patent taken in combination with that knowledge, would put the artisan in possession of the claimed invention. *In re Graves*, 36 USPQ 2d 1697 (Fed. Cir. 1995).

In response to Applicants argument that, (2) there is no motivation for using the concept of probability of transition between states and probabilities of sequences of transitions, without the benefit of hindsight. The Examiner respectfully submitted that it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

In response to Applicants argument that, (3) Claim 8 is not taught or suggested and is not motivated by the prior art and the prior art does not teach individual transition probabilities based on frequencies counts of transition from one state to another. The Examiner respectfully submits Pendleton, Jr. teaches a process of accumulating data involving adding fraud indicators produced for each claim line to produce a total for a particular supplier or provider (see: column 7, lines 9-

13). Pendleton Jr. et al. further teaches a mathematical method for computing the fraud indicator using averages, weighted averages and threshold values as noted above and also teaches the use of a claim file (26, Fig. 4) that includes healthcare states such as Health Care Procedure Code System (HCPCS) code, other codes, dates, units, pricing information, total dollar amount requested, or other information (see: column 6, lines 10-20). The Examiner considers that merely changing the parameter used in the mathematical method for computing the fraud indicator such as the accumulating data involving adding fraud indicators produced for each claim line to produce a total for a particular supplier or provider would produce individual transition probabilities based on frequencies counts of transition from one state to another and the courts have held that even if a patent does not specifically disclose a particular element, said element being within the knowledge of a skilled artisan, the patent taken in combination with that knowledge, would put the artisan in possession of the claimed invention. *In re Graves*, 36 USPQ 2d 1697 (Fed. Cir. 1995).